

Message Text

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PAGE 01 BONN 00467 01 OF 02 101755Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----101801Z 125697 /47

R 101742Z JAN 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4573
INFO AMEMBASSY ABU DHABI
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON
USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 00467

EXDIS

E.O. 11652: GDS
TAGS: EAID, GW, RH
SUBJECT: ZIMBABWE DEVELOPMENT FUND

REF: (1) BONN 268 (EXDIS); (B) BONN 317

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1. ECON/COMC'L MIN DISCUSSED THE ZIMBABWE FUND
PROPOSAL WITH UNDER SECRETARY KOLLATZ, ECONCOOPMIN,
ON JANUARY 7.

2. KOLLATZ WAS FULLY FAMILIAR WITH DETAILS OF THE
PROPOSAL AND EMPHASIZED THAT THE FUND POSED NO
FINANCIAL PROBLEMS AT ALL. HE SAW PROBLEMS WHICH

THE FRG HAS WITH THE PROPOSAL AS BY AND LARGE OF A
POLITICAL NATURE.

3. THE CREATION OF A NEW INSTITUTION WOULD BE IN
CONFLICT WITH THE CHANCELLOR'S OBJECTION TO
PROLIFERATION OF INTERNATIONAL BODIES. IN THAT
CONNECTION KOLLATZ REMINDED US OF GERMAN OPPOSITION TO THE
GISCARD AFRICAN FUND FOR THE SAME REASON. HE BELIEVED
DONOR COUNTRIES COULD JUST AS EFFECTIVELY CHANNEL
THEIR AID THROUGH WORLD BANK INSTITUTIONS.
ECON/COMC'L MIN POINTED OUT THAT THE PROPOSAL
EMPHASIZED THAT MULTILATERAL AGENCIES WOULD BE USED
TO THE EXTENT POSSIBLE. HOWEVER, KOLLATZ RETURNED
TO HIS THEME AND SUGGESTED THE ESTABLISHMENT OF A
CONSORTIUM FOR ZIMBABWE UNDER THE AUSPICES OF THE
WORLD BANK AS IS DONE FOR MANY OTHER DEVELOPING
COUNTRIES. UNDER SUCH A SYSTEM ASSISTANCE WOULD
CONTINUE TO BE BILATERAL AND NO NEW
INSTITUTION WOULD BE REQUIRED.

4. ANOTHER GERMAN CONCERN, ACCORDING TO KOLLATZ, IS
THAT, SINCE ZIMBABWE IS RELATIVELY RICH PER CAPITA
COMPARED TO OTHER AFRICAN COUNTRIES, THE AID GIVEN TO
ZIMBABWE WOULD BE EXCESSIVE COMPARED TO THE NEEDS
OF NEIGHBORING AFRICAN COUNTRIES. KOLLATZ UNDERSTOOD
THAT THIS IS NOT A PURELY DEVELOPMENTAL PROBLEM AND
ADMITTED THAT, EVEN WITHOUT THE FUND, ZIMBABWE COULD
EXPECT A MORE THAN PROPORTIONAL SHARE OF GERMAN AID.
THE POLITICAL PROBLEM, HOWEVER, IS THE NECESSITY OF
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MODERATING POORER AFRICAN COUNTRY DEMANDS FOR
INCREASED AID IN LIGHT OF ZIMBABWE PROGRAMS.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

-----101804Z 125739 /47

R 101742Z JAN 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4574
INFO AMEMBASSY ABU DHABI
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
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C O N F I D E N T I A L SECTION 02 OF 02 BONN 00467

EXDIS

5. KOLLATZ ATTACHED THE GREATEST WEIGHT, HOWEVER, TO THE PUBLIC OPINION PROBLEM IN THE FRG ITSELF. HE MAINTAINED THAT REFUGEES FROM EASTERN EUROPE, AND ELSEWHERE, WHO EVENTUALLY SETTLED IN WEST GERMANY RECEIVED NO SUCH COMPENSATION FOR LOST ASSETS. THEIR TRANSITION INTO A NEW LIFE WAS ASSISTED BY THE FRG
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GOVERNMENT BUT THEIR MATERIAL LOSS AS A RESULT OF THE MOVE WAS GREAT. GERMANS WOULD NOT UNDERSTAND FRG SUPPORT FOR THE COMPENSATION OF RHODESIAN WHITES FOR ASSETS LEFT BEHIND IN A NEW ZIMBABWE. WE POINTED OUT THE PROPOSAL WAS NOT DIRECTLY AIMED AT SUCH COMPENSATION - BUT DESIGNED TO KEEP WHITES IN COUNTRY. EVEN SO, KOLLATZ INSISTED THAT THE FUND PROPOSAL VEILED COMPENSATION, BUT DID NOT ENTIRELY REMOVE THE PROBLEM.

6. ECON/COMC'L MIN STRESSED THAT THE TECHNICAL ASPECTS OF THE FUND PROPOSAL SHOULD NOT STAND IN THE WAY OF ACHIEVING THE POLITICAL OBJECTIVE OF A STABLE TRANSITION FOR ZIMBABWE. SINCE WE ARE IN AGREEMENT REGARDING THE GOAL OF THIS EFFORT, TECHNICAL PROBLEMS

SHOULD NOT STAND IN THE WAY OF THIS PROGRAM IF, AS
WAS THE CASE, IT COULD PLAY A KEY POSITIVE ROLE. WE
"PRESUMED" FRG WOULD NOT STAND ASIDE IF THIS PROPOSAL
BECAME A SIGNIFICANT ELEMENT IN A POLITICAL SETTLEMENT.

7. COMMENT: EVEN THOUGH THE AID BUDGET WILL BE TIGHT
THIS YEAR AND FOR THE NEXT FEW YEARS, EMBASSY AGREES
WITH KOLLATZ THAT THE FRG COULD FIND THE MONEY
FOR ITS SHARE OF THE FUND PROPOSAL. THE STRUCTURE OF
THE FUND AND THE PROGRAMS FOR WHICH IT IS DESIGNED ARE
THE KEY PROBLEMS AS FAR AS THE FRG IS CONCERNED.
OBVIOUSLY, WE HAVE NOT YET HEARD THE LAST WORD OF
THE FRG ON THIS SUBJECT AND THESE NEGATIVE SOUNDS FROM
KOLLATZ ARE BY NO MEANS CONCLUSIVE. IT ALSO NEEDS
TO BE KEPT IN MIND THAT THE ECONCOOPMIN IS CONTROLLED
BY THE SPD.
STOESSEL

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